

# **North Dakota 2009 CWSRF Intended Use Plan and Project Priority List**

## **I. Introduction**

This Intended Use Plan (IUP) and Project Priority List (PPL) accompany the North Dakota Department of Health's (NDDH) application for a \$19,239,100 capitalization grant for the Clean Water State Revolving Fund (CWSRF) program under the American Recovery and Reinvestment Act (ARRA) of 2009.

## **II. CWSRF Program Goals**

The NDDH is committed to using the capitalization grant for which it is applying to provide assistance to wastewater projects which will proceed quickly to construction, creating jobs and furthering the water quality objectives of the Clean Water Act. The NDDH's goal is to enter into binding commitments for projects, which will proceed to construction or award of construction contracts by February 17, 2010.

The NDDH recognizes that the goal of the ARRA is to expeditiously fund eligible projects that simultaneously will create jobs, promote economic recovery, and generate long-term benefits from infrastructure investment. In this grant, the State is being called upon to accomplish goals that may not previously have been priorities in its base SRF program. Some priorities and activities in the State's base program that may not practically be attainable within the timeframes associated with the ARRA will be pursued using funds made available through the base CWSRF program.

## **III. Sources and Uses of Funds**

The NDDH is applying for a capitalization grant in the amount of \$19,239,100. This represents the amount that the State is eligible to receive under the State's allocation from the supplemental appropriation enacted under the ARRA.

Table 1 summarizes the sources and uses of the capitalization grant for which the State is applying:

**Table 1  
Sources and Uses of Capitalization Grant**

<b>SOURCES</b>	<b>AMOUNT</b>
Capitalization Grant	\$19,239,100
<b>USES</b>	
Project Assistance Loans	\$ 18,469,536
Administration (4 percent)	\$ 769,564
<b>TOTAL USES</b>	<b>\$19,239,100</b>

## **IV. Criteria and Methods for Distribution of Funds**

### **A. Loan Terms and Fees**

Under North Dakota's base CWSRF program, the maximum repayment period for loans is 20 years following project completion. The present loan interest rate is 2.5 percent plus an administrative fee of 0.5 percent.

Loan assistance provided with ARRA funds will be at an interest rate of 0.5 percent for a maximum term of 20 years. An annual loan fee of 0.5 percent will also be assessed on all loans to support CWSRF administration. The CWSRF program will also provide additional subsidy to identified assistance recipients as described below. Those projects receiving 50 percent loan forgiveness will receive loans from the base CWSRF program to fund the remaining project cost.

### **B. Additional Subsidization**

The ARRA requires that at least 50 percent of assistance provided be in the form of additional subsidies. The CWSRF program will provide these additional subsidies as loan forgiveness and will be based on the relative future wastewater cost index (RFWCI). The RFWCI is defined as the ratio of expected average annual residential user charge for wastewater service resulting from the project to the local annual median household income (based on 2000 census data).

Projects on the ARRA list will receive 50 percent loan forgiveness starting with the highest RFWCI and proceeding in order of RFWCI until 50 percent of the capitalization grant has been allocated. The remaining 50 percent of project cost will be funded with loans from the base CWSRF program at an effective rate of 3 percent.

The attached project list demonstrates that at least 50% of the Capitalization Grant will be used to provide additional subsidies via principal forgiveness. Any subsequent revision to this project list will likewise demonstrate that at least 50% of the Capitalization Grant will be used to provide additional subsidies via principal forgiveness.

### **C. Green Infrastructure**

The ARRA requires that, to the extent there are sufficient eligible project applications, not less than 20 percent of the funds provided for projects be used for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities. Where it is not clear that a project or component qualifies to be included as counting towards the 20 percent requirement, the files for such projects will contain documentation of the business case on which the project was judged to qualify, as described in Attachment 8 to the USEPA guidance for the ARRA.

The ARRA Fundable List has sufficient projects with qualifying components. Eight projects listed on the attached ARRA Fundable List appear to contain components qualifying as green infrastructure projects for purposes of this requirement. These projects and project

components that qualify towards the green project reserve total \$9.25 million. The 20 percent requirement is \$3.85 million; therefore, the CWSRF program has met this requirement of the ARRA. Eligibility of these components will be verified prior to award of financial assistance.

#### **D. Preference for Expeditious Activities**

ARRA requires that priority be given to projects that will be ready to proceed to actual construction within 12 months of the date of enactment. To satisfy this requirement, projects were solicited in February 2009 in anticipation of ARRA funding. Those projects that appear to be ready to proceed by February 16, 2010 have been given priority which is reflected in the projects being considered eligible to receive ARRA funding. Environmental considerations were also included in setting priorities. The ARRA Project Priority List included within this IUP reflects the projects that will be funded using ARRA funds.

In addition, ARRA section 1602 includes a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after enactment of the ARRA. Five projects, representing 38 percent of the ARRA funds, as far as it's possible to determine, appear to be able to start construction by June 16, 2009.

#### **E. Avoidance of Reallotment/Relationship to Base Program**

In order to meet the requirements and deadlines of the ARRA for the expeditious and timely commitment and expenditure of funds, the NDDH will regularly review the data reported to EPA on the progress of assistance recipients under the statutory deadlines specified in this IUP to identify any issues with the timeliness of this progress. If such issues are identified, the NDDH intends to work with EPA to resolve the issues. The State will include conditions in its assistance agreements to ensure that assistant recipients make timely progress with respect to entering into contracts and/or construction. If a recipient fails to maintain progress with these conditions, they will receive funding from other CWSRF monies so that ARRA funding can be provided for a project that is ready to proceed.

The State understands that the U.S. Environmental Protection Agency may deobligate grant funds from States that fail to meet requirements on use of ARRA funds. However, if the State is eligible for additional funds made available by a reallotment of ARRA funds, the State will provide EPA with a list of projects from its project priority list that are immediately prepared to proceed to construction.

#### **V. Public Review and Comment**

In compliance with the requirement in CWA sec. 606(c) to provide for public review and comment, a public notice was published in the 10 major state newspapers beginning April 1, 2009 and a public hearing will be held on April 30, 2009.

#### **VI. Assurances**

The Department agrees to comply with the Federal program requirements as outlined in the Operating Agreement between EPA and the ND Department of Health.

DRAFT North Dakota 2009 CWSRF ARRA Project List

COMMUNITY	PROJECT NUMBER	PERMIT NUMBER	AMOUNT	CATE- GORY	Const. Start	Principal Forgiveness	1 % Loan	Green Category	Green Project Reserve	Population	RFWCI
Stutsman RWD	929-01	-	\$5,500,000	I	5/15/2009		\$5,500,000	Water Efficiency	\$5,500,000		
Munich	937-01	22098	\$1,500,000	IIIB	7/1/2009	\$750,000				212	4.97%
Strasburg	939-01	22951	\$1,600,000	IIIB	7/1/2009	\$800,000				449	2.48%
Edgeley	935-01	21181	\$1,720,000	IIIB	7/1/2009	\$860,000				541	1.94%
Drayton	934-01	21458	\$2,600,000	I	9/1/2009	\$1,300,000		Facultative Ponds	\$1,300,000	798	1.54%
Michigan	925-01	20818	\$640,000	I&IIIB	9/1/2009	\$320,000				291	1.21%
Glenburn	930-01	21253	\$720,000	I&IIIB	9/1/2009	\$360,000		Facultative Ponds	\$300,000	323	1.15%
Northwood	938-01	20176	\$1,500,000	I	9/1/2009	\$750,000		Facultative Ponds	\$750,000	880	0.91%
Davenport	916-01	20001	\$400,000	IIIB	7/1/2009	\$200,000				247	0.59%
Devils Lake	889-01	20681	\$5,250,000	VI	8/1/2009	\$2,625,000				6675	0.44%
Lake Metigoshe RSD	866-02	325330	\$793,000	I	9/1/2009	\$396,500		Facultative Ponds	\$396,500	900	0.39%
Enderlin	794-03	22462	\$700,000	I	7/1/2009	\$350,000		Facultative Ponds	\$350,000	1034	0.37%
Lisbon	836-04	22080	\$1,435,000	IIIB	5/15/2009	\$717,500				2194	0.30%
Velva	891-01	20290	\$426,000	IIIB	5/15/2009	\$213,000				915	0.30%
Hankinson	936-01	22055	\$400,000	I	7/1/2009		\$400,000	Facultative Ponds	\$400,000	996	0.25%
Lidgerwood	835-03	21539	\$250,000	I	7/1/2009		\$250,000	Facultative Ponds	\$250,000	714	0.24%
Cavalier	795-01	21954	\$650,000	IIIB	6/15/2009		\$650,000			1354	0.24%
Minnewaukan	931-01	22217	\$107,000	IIIB	6/15/2009		\$107,000			296	0.23%
Valley City	887-01	20559	\$550,000	I	7/1/2009		\$550,000			6300	0.06%
Hazen	932-01	20745	\$195,000	IIIB	9/1/2009		\$195,000			2243	0.03%
Dickinson	933-01	23175	\$800,000	I	7/1/2009		\$800,000			15916	0.03%
Fargo	684-07	22870	\$800,000	I	10/1/2009		\$800,000			92660	0.00%
						\$9,642,000	\$9,252,000		\$9,246,500		

I = Secondary Treatment  
 II = Advanced Treatment  
 IIIA = I/I Correction  
 IIIB = Sewer Rehabilitation  
 IVA = New Collectors  
 IVB = New Interceptors  
 V = CSO Correction  
 VI = Storm Sewers

DRAFT North Dakota 2009 CWSRF Base Program Project List

COMMUNITY	PROJECT NUMBER	PERMIT NUMBER	AMOUNT	CATE- GORY	BINDING COMMIT.
New Town	907-01	23256	\$800,000	I	6/30/2009
West Fargo	705-02	22616	\$1,300,000	IIIB	9/30/2009
Wishek	758-02	20389	\$180,000	IVB	9/30/2009
Larimore	768-01	20770	\$3,400,000	I	9/30/2009
Mayville	778-03	22586	\$650,000	VI	9/30/2009
Mapleton	790-03	20494	\$650,000	IIIB&VI	9/30/2009
Pick City	828-01	24571	\$300,000	I	9/30/2009
Oakes	850-05	20834	\$800,000	IVA&VI	9/30/2009
Tower City	852-03	22314	\$250,000	VI	9/30/2009
Portland	853-04	20214	\$500,000	IIIB	9/30/2009
Finley	859-01	22004	\$325,000	IIIB	9/30/2009
Bismarck	909-02	23434	\$6,500,000	I	9/30/2009
Wyndmere	913-02	20044	\$1,000,000	IIIB&VI	9/30/2009
Gwinner	917-01	20010	\$1,600,000	IIIB	9/30/2009
New Salem	920-01	23051	\$1,100,000	I	9/30/2009
Watford City	924-02	21849	\$340,000	VI	9/30/2009
Harwood	927-01	24562	\$1,000,000	I	9/30/2009
Neché	928-01	22161	\$1,300,000	I	9/30/2009
Fargo	684-06	22870	\$2,400,000	I	6/30/2010
West Fargo	705-03	22616	\$1,500,000	IIIB	6/30/2010
West Fargo	705-04	22616	\$500,000	I	6/30/2010
West Fargo	705-05	22616	\$3,000,000	IIIB	6/30/2010
Abercrombie	720-02	22659	\$200,000	VI	6/30/2010
Colfax	765-02	23582	\$600,000	I	6/30/2010
Thompson	774-01	20915	\$2,400,000	VI	6/30/2010
Langdon	777-01	20630	\$80,000	IIIB	6/30/2010
Kindred	832-02	22179	\$2,000,000	I	6/30/2010
Lidgerwood	835-03	21539	\$150,000	VI	6/30/2010
Alice	843-01	-	\$1,600,000	I&IVA	6/30/2010
Valley City	887-02	20559	\$1,000,000	I	6/30/2010
Center	915-01	20036	\$130,000	IIIB	6/30/2010
Leonard	919-02	21521	\$300,000	IIIB	6/30/2010
Ward Co. WRD	910-01	-	\$200,000	IVB	After 2010
Fargo	715-04	22870	\$15,300,000	IIIA	After 2010
Bottineau	839-01	20435	\$100,000	I	After 2010
Burlington	861-01	23442	\$100,000	VI	After 2010
Des Lacs	862-01	22900	\$450,000	VI	After 2010
Aneta	873-01	21296	\$50,000	I	After 2010
Carpio	875-01	21351	\$100,000	IIIB	After 2010
Elgin	897-01	22250	\$80,000	VI	After 2010
Fairmount	912-01	23264	\$300,000	I	After 2010
West Fargo	705-06	22616	\$1,500,000	IIIB	After 2010
Ryder	769-01	20885	\$40,000	I	After 2010
Rugby	796-01	22926	\$500,000	I	After 2010
Grand Forks	798-03	22888	\$2,000,000	I	After 2010

Ramsey Co. R. Util.	805-01	-	\$500,000	IIIB	After 2010
Grand Forks	806-03	22888	\$20,000,000	I	After 2010
Grandin	813-02	21326	\$100,000	I	After 2010
Hague	816-01	22772	\$250,000	I	After 2010
Noonan	817-01	21857	\$200,000	I	After 2010
South Heart	827-01	22543	\$100,000	IVB	After 2010
Forman	830-02	21369	\$200,000	I	After 2010
Stanley	840-02	20451	\$875,000	IIIB	After 2010
Kenmare	841-01	20079	\$300,000	I&IIIB	After 2010
Marion	844-01	21555	\$30,000	I	After 2010
Kulm	849-02	20761	\$1,500,000	IIIB	After 2010
Oakes	850-06	20834	\$1,000,000	I&IIIB	After 2010
New Rockford	855-01	20028	\$150,000	I	After 2010
Sharon	856-01	22411	\$100,000	I	After 2010
Max	860-01	21792	\$250,000	I	After 2010
Milnor	864-01	20338	\$250,000	IIIB	After 2010
McHenry	867-01	22489	\$90,000	I	After 2010
Powers Lake	870-01	22730	\$1,000,000	IIIB	After 2010
Oriska	874-01	23311	\$50,000	I	After 2010
Maxbass	876-01	20508	\$100,000	IIIB	After 2010
Harvey	877-04	20281	\$1,000,000	IIIB	After 2010
Pembina	881-01	20257	\$450,000	I	After 2010
Sibley	884-01	23761	\$80,000	IIIB	After 2010
Mott	886-01	20150	\$60,000	IIIB	After 2010
Fessenden	890-01	22365	\$500,000	I	After 2010
Karlsruhe	893-01	20443	\$60,000	VI	After 2010
Robinson	895-01	21580	\$120,000	IIIB	After 2010
Riverdale	898-01	-	\$200,000	IVB	After 2010
LaMoure	902-01	20222	\$300,000	IIIB	After 2010
Stutsman County- Jmstn.					
Reservoir Sewer	905-01	-	\$1,200,000	I&IVA	After 2010
Richardton	911-01	20109	\$500,000	IVB	After 2010
Walcott	914-01	21831	\$200,000	I	After 2010
Hazen	932-02	20745	\$215,000	I	After 2010
Bank of ND	807-01	BMPs	\$2,500,000	NPS	2/14/1997
Bank of ND (Loan Increase)	807-01	BMPs	\$1,000,000	NPS	6/30/2009